

September 1, 2006

Bureau of Land Management Vernal Field Office 170 S. 500 E. Vernal, UT 84078

Attn: Minerals Department

Re:

All Wells

Uintah and Duchesne Counties, Utah

Ladies and Gentlemen:

This letter is to inform you that Permitco, Inc. and Shon McKinnon are authorized to act as Agent and to sign or retrieve documents on behalf of Gasco Production Company, a wholly owned subsidiary of Gasco Energy, Inc. when necessary for filing county, state and federal permits including Onshore Order No. 1, Right of Way applications, etc., for the above mentioned wells.

It should be understood that Permitco, Inc. and Shon McKinnon are acting as Agent only in those matter stated above and are not responsible for drilling, completion, production or compliance with regulations.

Gasco Production Company agrees to accept full responsibility for operations conducted in order to drill, complete and produce the above mentioned wells.

Yours very truly,

Mark A. Erickson

President and CEO



GASCO Energy, Inc.

8 Inverness Drive East Suite 100 Englewood, CO 80112 (303) 483-0044 www.gascoenergy.com

March 18, 2009

Division of Oil, Gas and Mining P.O. Box 145801 Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill (APD) Wilkin Ridge Federal 42-23-10-17

To Whom It May Concern:

Gasco Production Company recognizes that the APD for Wilkin Ridge Federal 42-23-10-17 (API # 43-047-39814) and its subsequent extension has expired.

Gasco Production Company is submitting a new APD for the same location. Attached is the previous Onshore Order #1, associated maps and diagrams. All previous information is still applicable to the proposed drilling site, with the exception of an updated drilling-engineering and geology section (attached) for the proposed Wilkin Ridge Federal 42-23-10-17.

Please call or email me with any questions or comments.

Thank you

Roger Knight 303-483-0044

rknight@gascoenergy.com

RECEIVED MAR 2 3 2009

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING

EODM	4
E CANDA	-

AMENDED REPORT (highlight changes)

		APPLICA	TION FOR	PERMIT TO	DRILL		5. MINERAL LEASE NO: UTU-74401	6. SURFACE: Federal		
1A. TYPE OF WIC	1A. TYPE OF WORK: DRILL REENTER DEEPEN							7. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	•	GAS 🗹			_ GLE ZONE ☐ MULTIPLE ZON	- [7	N/A 8. UNIT OF CA AGREEMENT I	IAME:		
B. TYPE OF WE		GW2 [5]	OTHER		GLE ZONE [MULTIPLE ZON	= [X]	Wilkin Ridge			
2. NAME OF OPE		mnany					9. WELL NAME and NUMBER Wilkin Ridge Fede			
3. ADDRESS OF	The second secon	прапу		· · · · · · · · · · · · · · · · · · ·	PHONE NUMBER:		10. FIELD AND POOL, OR W	T'IN I		
8 Inverness	s Drive Eas	t CITY Engl	ewood _{STA}	TE CO ZIP 80	112 (303) 483-0044		Undesignated			
4. LOCATION OF	WELL (FOOTAG	£S) 588	396 X 442 518' from Eas	04434 39	931376		11. QTR/QTR, SECTION, TO MERIDIAN:	WNISHEP, RANGE,		
AT SURFACE:	1,945' froi	m Nortň line	518' from Ea	st line "	-109.9 45500		SENE 23 109	3 17E		
AT PROPOSED	PRODUCING ZO	DINEE:			101.740					
14. DISTANCE IN	MILES AND DIR	ECTION FROM NE	AREST TOWN OR PO	ST OFFICE:			12. COUNTY:	13. STATE:		
		f Myton UT.					Uintah	UTAH		
15. DISTANCE TO 518'	O NEAREST PRO	PERTY OR LEASE	LINE (FEET)	16. NUMBER O	FACRES IN LEASE: 1,440	17. N	BABER OF ACRES ASSIGNED	40 Acres		
	O NEAREST WEL	L (DRILLING, COM	PLETED, OR	19, PROPOSED		20. B	OND DESCRIPTION:	40 Acres		
	R) ON THIS LEAS				17,340	l	ond # 1233			
21. ELEVATIONS	(SHOW WHETH	ERDF, RT, GR, E	(C.):	22. APPROXIM	ATE DATE WORK WILL START:		STIMATED DURATION:			
5,516' GL 4/30/2009					30	days				
24.	· · · · · · · · · · · · · · · · · · ·		PROPOS	ED CASING A	ND CEMENTING PROGRAM	•				
SIZE OF HOLE	IZE OF HOLE CASING SIZE, GRADE, AND WEIGHT PER FOOT SETTING DEPTH CEMENT TYPE, QUANTITY,					YIELD, AND SLURRY WEIGHT	-			
17-1/2"	13-3/8"	H-40	48#	300	300 300sxsPremium type5		.6ppg 1.18 yield	}		
12-1/4"	9-5/8"	N-80	53.5#	6,830	6,830 940 sx Hi-lift		11ppg 3.91 yield			
					185 sx 10-2RFC		.1ppg 1.63 yield			
7-7/8"	4-1/2"	HCP-110	15.1#	17,340	523 sxHi-lift	11	.5ppg 3.05 yield	}		
					2383 sx 50-50POZ	14	.1ppg 1.28 yield	1		
					•					
	Confiden	tiel-Tigh	t Hole							
25.				ATTA	CHMENTS					
VERIFY THE FOL	LOWING ARE AT	ITACHED IN ACC	ORDANCE WITH THE U	JTAH OIL AND GAS C	ONSERVATION GENERAL RULES:					
WELL PL	AT OR MAP PRE	PARED BY LICEN	SED SURVEYOR OR E	NGINEER	COMPLETE DRILLING PLAN					
Z EVIDENC	CE OF DIVISION (OF WATER RIGHT	S APPROVAL FOR US	OF WATER FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER						
	Roge	r Knight			TITLE EHS Supervis	or				
24 41						-				
SIGNATURE	//	1 11			DATE 3/16/2009					
(This space for Sta	ite use only)				ved by the Division of					
					and Mining					
ADI KU IKADEO AO	CICNET.	43-04740	1500	- Jii, Gdo			RECEIVED)		
API NUMBER AS	JONED:	<u> </u>	7 7	ー Date: つろ	APPROVAL:					
(11/2001)	Federal A	Approval of t	h is	Date.	The state of the s		MAR 2 3 2009			
Action is Necessary By: General Approximation By: General Side						D	IV. OF OIL, GAS & MIN	IING		

T10S, R17E, S.L.B.&M.

S89*54'W - 2640.00' (G.L.O.) N89°58'35"E - 2654.27' (Meas.) Brass Cap 1.0' High, Pile of Stones 2639.51' (Meas. WILKIN RIDGE FEDERAL S00.05,58″E #42-23-10-17 Elev. Ungraded Ground = 5516' 23 1910 Brass Cap, 1.5' High, Pile of 2638.35 .85,20.00S

S89°53'W - 5294.52' (G.L.O.)

BASIS OF BEARINGS

1910 Brass Cap, 1.7' High, Pile of Stones

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

LEGEND:

5280.00' (G.L.O.)

S00.01'E

= 90° SYMBOL

= PROPOSED WELL HEAD.

= SECTION CORNERS LOCATED.

(NAD 83)

LATITUDE = 39.55.52.95" (39.931375)

LONGITUDE = 109'57'58.37" (109.966214)

(NAD 27)

LATITUDE = 39.55.53.08" (39.931411)

LONGITUDE = 109.57.55.84" (109.965511)

GASCO PRODUCTION COMPANY

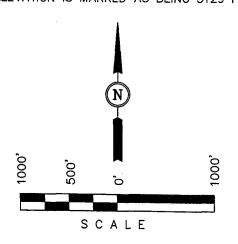
1910 Brass Cap,

1.0' High, Pile of

Well location, WILKIN RIDGE FEDERAL #42-23-10-17, located as shown in the SE 1/4 NE 1/4 of Section 23, T10S, R17E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHWEST CORNER OF SECTION 14, T10S, R18E, S.L.B.&M. TAKEN FROM THE MOON BOTTOM QUADRANGLE, UTAH, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5129 FEET.

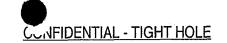


CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE THAT WAS PEPARED FROM SUPERVISION AND THAT THE SAME BEST OF MY KNOWLEDGE AND BEST

UINTAH ENGINEERING & 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (801) 789-1017

(501) 100 1011						
SCALE 1" = 1000'	DATE SURVEYED: DATE DRAWN: 08-20-07 09-10-07					
PARTY J.W. J.K. L.K.	REFERENCES G.L.O. PLAT					
WEATHER	FILE					
COLD	GASCO PRODUCTION COMPANY					



Lease No. UTU-74401

DRILLING PROGRAM

Page 1

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. ESTIMATED TOPS OF ALL GEOLOGIC GROUPS, FORMATIONS, MEMBERS OR ZONES

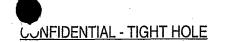
Formation	Depth	Subsea
Wasatch	4,825'	+701'
Mesaverde	8,895'	-3,369'
Castlegate	11,415	-5,889'
Blackhawk	11,675'	-6,149'
Spring Canyon	12,455'	-6,929'
TD	12,755'	-7,229'

2. <u>ESTIMATED DEPTH AND THICKNESS OF WATER, OIL, GAS AND OTHER MINERAL ZONES</u>

Substance	Formation	Depth	Thickness
Gas	Wasatch	5,000'-8,895'	3,855'
Gas	Mesaverde	8,895'-11,415'	2,520'
Gas	Blackhawk	11,675'-12,655'	980'

a. The lessee/operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled and analyzed (a copy of the analyses to be submitted to the BLM Field Office in Vernal, Utah).





Lease No. UTU-74401

DRILLING PROGRAM

Page 2

- b. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.
- c. The lessee-operator must report encounters of all non oil and gas mineral resources (such as Gilsonite, tar sands, oil shale, etc.) to Peter Sokolosky or another geologist of the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- d. All shows of fresh water and minerals shall be reported and protected. A sample shall be taken of any water flows and a water analysis furnished the BLM, Vernal Field Office. All oil and gas shows shall be adequately tested for commercial possibilities, reported, and protected.

3. PRESSURE CONTROL EQUIPMENT

Gasco Production Company's minimum specifications for pressure control equipment are as follows:

Ram Type: 11" Hydraulic double with annular, 5000 psi w.p.

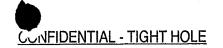
Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals





Lease No. UTU-74401

DRILLING PROGRAM

Page 3

Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

Pressure tests shall apply to all related well control equipment.

All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and NOT by the rig pumps. Test shall be reported in the driller's log.

BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.

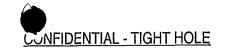
Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

No aggressive/fresh hard-banded drill pipe shall be used within casing.

Cement baskets shall not be run on surface casing.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.





Lease No. UTU-74401

DRILLING PROGRAM

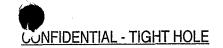
Page 4

The District Office should be notified, with sufficient lead time, in order to have the BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 5000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is <u>not</u> to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit <u>all</u> tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. PROPOSED CASING PROGRAM

- a. Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing and cementing operations and BOPE & casing pressure tests.
- b. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- c. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- d. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)



Lease No. UTU-74401

DRILLING PROGRAM
Page 5

- e. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- f. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- g. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- h. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- i. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- j. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- k. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- I. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.





Lease No. UTU-74401

DRILLING PROGRAM

Page 6

n. The proposed casing program will be as follows:

Purpose	Depth	Hole Size	O.D.	Weight	Grade	Туре	New/Used
Conductor	0-40¹	17-1/2"	13-3/8"	48#	H-40	202	New
Surface	0-3,375'	12-1/4"	8-5/8"	32#	J-55	ST&C	New
Production	0-12,755'	7-7/8"	4-1/2"	13.5#	P-110	LT&C	New

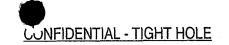
o. Casing design subject to revision based on geologic conditions encountered.

5. PROPOSED CEMENTING PROGRAM

Conductor	Type and Amount
TOC @ Surface	50 sx Premium Type 5 @ 15.6 ppg, 1.18 cu ft/sk.
Surface	Type and Amount
TOC @ Surface	Lead: 558 sx Hi-Lift @ 11.0 ppg, 3.91 cu ft/sk. Tail: 185 sx 10-2 RFC @ 14.2 ppg, 1.63 cu ft/sk.
Production	Type and Amount
TOC @ 2,500 ¹	Lead: 523 sx Hi-Lift @ 11.5 ppg, 3.05 cu ft/sk. Tail: 1273 sx 50/50 POZ @14.1 ppg, 1.28 cu ft/sk.

- a. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- b. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- c. Production casing cement shall be brought up and into the surface casing. The minimum cement top is 200' above the surface casing shoe.





Lease No. UTU-74401

DRILLING PROGRAM

Page 7

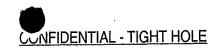
- d. A Cement Bond Log (CBL) shall be run from the production casing shoe to the surface casing shoe. A field copy of the CBL shall be submitted to the BLM Vernal Field Office.
- e. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- f. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve,

6. PROPOSED CIRCULATING MEDIUM OR MEDIUMS

<u>Interval</u>	Mud Type	Mud Wt.	Visc.	F/L	рН
0' - 40'	Fresh Water	8.33	1	N/C	7
40' - 3,375'	Fresh Water	8.33	1	N/C	7-8
3,375' - TD	Fresh Water & DAP	9.0 - 11.5	30 - 40	12 - 20	8

There will be sufficient mud on location to control a blowout should one occur.





Lease No. UTU-74401

DRILLING PROGRAM

Page 8

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- a. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- b. No chromate additives will be used in the mud system on Federal and/or Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.
- c. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- d. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. PROPOSED TESTING, LOGGING AND CORING

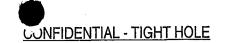
The anticipated type and amount of testing, logging and coring are as follows:

a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.





Lease No. UTU-74401

DRILLING PROGRAM

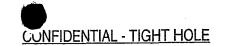
Page 9

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of an Induction or Laterolog as appropriate, Gamma Ray, and Density Neutron to be run from TD base of surface casing.
- c. A Cement Bond Log will be run from the production casing shoe to the surface casing shoe and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to the Vernal Field Office.
- e. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.
- f. All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.
- g. No cores are anticipated.
- h. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cutting, fluids, and/or gases will be submitted when requested by the authorized officer (AO).
- i. The anticipated completion program will be as follows: Perform multistage fracs and complete all productive Blackhawk, Mesaverde and Wasatch zones present in wellbore. Produce all zones commingled.





Lease No. UTU-74401

DRILLING PROGRAM

Page 10

j. Daily drilling and completion progress reports shall be submitted to the BLM in Vernal on a weekly basis.

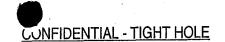
8. EXPECTED BOTTOM HOLE PRESSURE

- a. The expected bottom hole pressure is 7143 psi. The maximum bottom hole temperature anticipated is 217 degrees F.
- b. No hydrogen sulfide gas is anticipated. Abnormal pressures will be controlled with mud weight and 5000# BOP and rotating head.

9. OTHER INFORMATION AND NOTIFICATION REQUIREMENTS

- a. Drilling will commence immediately upon approval of this application.
- b. It is anticipated that the drilling of this well will take approximately 24 days.
- c. The BLM in Vernal, Utah shall be notified of the anticipated date of location construction commencement and of anticipated spud date.
- d. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended for more than 30 days, prior approval of the BLM, Vernal Field Office shall be obtained and notification given before resumption of operations.
- e. The spud date will be reported orally to the Vernal Field Office within 24 hours of spudding. The oral report will be followed up with a Sundry Notice.
- f. Chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- g. Any change in the program shall be approved by the BLM, Vernal Field Office. "Sundry Notices and Reports on Wells" (Form BLM 3160-5) shall be filed for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.





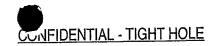
Lease No. UTU-74401

DRILLING PROGRAM

Page 11

- h. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan pursuant to Onshore Oil & Gas Order No. 1 of 43 CFR 3164.1 and prior approval by the BLM, Vernal Field Office.
- i. In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, CO 80217-0110, or call 1-800-525-7922 (303)231-3650 for reporting information.
- j. <u>Immediate Report:</u> Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- k. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- I. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- m. Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90 day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by the Vernal Field Office.



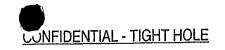


Lease No. UTU-74401

DRILLING PROGRAM
Page 12

- n. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period. Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from Field Office Petroleum Engineers.
- o. A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM, Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- p. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- q. Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment: (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.
- r. Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.
- s. There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, production, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well. Any changes in operation must have prior approval from the BLM, Vernal Field Office Petroleum Engineers.





Lease No. UTU-74401

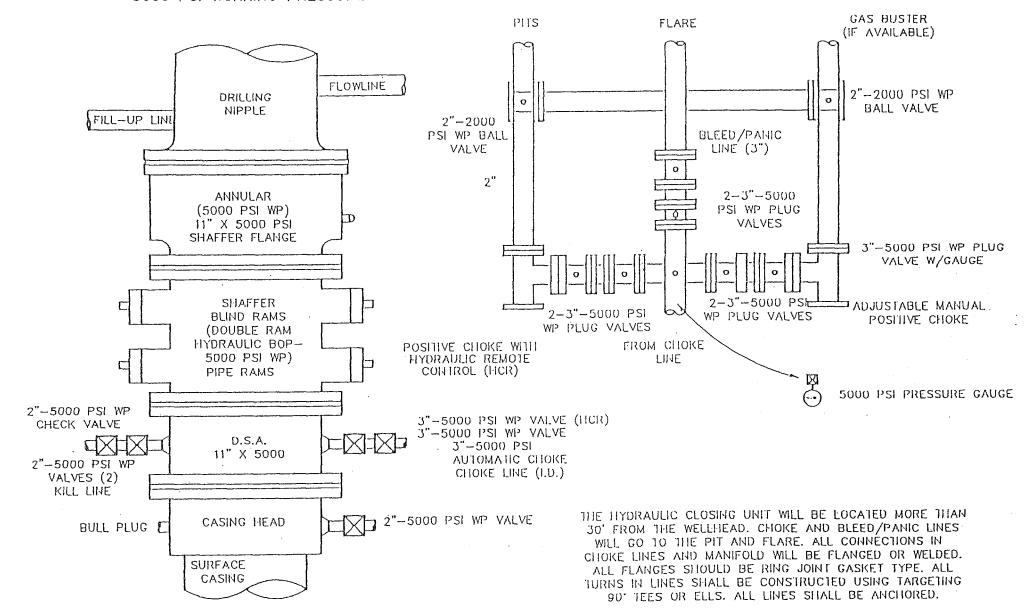
DRILLING PROGRAM

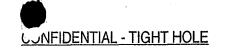
Page 13

- t. This APD is subject to the requirement that, should the well be successfully completed for production, the BLM, Vernal Field Office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in the Vernal Field Office no later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - 1. Operator name, address, and telephone number.
 - 2. Well name and number.
 - 3. Well location (1/4 1/4, Sec., Twn, Rng, and P.M.).
 - 4. Date well was placed in a producing status (date of first production for which royalty will be paid).
 - 5. The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - 6. The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - 7. Unit agreement and/or participating area name and number, if applicable.
 - 8. Communitization agreement number, if applicable.
- u. All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events as defined in NTL 3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.



PLAN VIEW CHOKE MANIFOLD





Lease No. UTU-74401

SURFACE USE PLAN
Page 1

ONSHORE OIL & GAS ORDER NO. 1 NOTIFICATION REQUIREMENTS

Title	Name	Office Phone	Cell Phone
Petroleum Engineer	Matt Baker	435-781-4490	435-828-4470
Petroleum Engineer	Michael Lee	435-781-4432	435-828-7875
Petroleum Engineer	James Ashley	435-781-4470	435-828-7874
Petroleum Engineer	Ryan Angus	435-781-4430	435-828-7368
Supervisory Petroleum Technician	Jamie Sparger	435-781-4502	435-828-3913
NRS/Enviro Scientist	Paul Buhler	435-781-4475	435-828-4029
NRS/Enviro Scientist	Karl Wright	435-781-4484	
NRS/Enviro Scientist	Holly Villa	435-781-4404	
NRS/Enviro Scientist	Chuck MacDonald	435-781-4441	
NRS/Enviro Scientist	Jannice Cutler	435-781-3400	
NRS/Enviro Scientist	Michael Cutler	435-781-3401	
NRS/Enviro Scientist	Anna Figueroa	435-781-3407	•
NRS/Enviro Scientist	Verlyn Pindell	435-781-3402	
NRS/Enviro Scientist	Darren Williams	435-781-4447	
NRS/Enviro Scientist	Nathan Packer	435-781-3405	
After Hours Contact Number:		435-781-4513	435-781-4410 Fax





Lease No. UTU-74401

SURFACE USE PLAN

Page 2

NOTIFICATION REQUIREMENTS						
Location Construction (Notify NRS/Enviro Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.				
Location Completion (Notify NRS/Enviro Scientist)	-	Prior to moving on the drilling rig.				
Spud Notice (Notify Petroleum Engineer)	•	Twenty-Four (24) hours prior to spudding the well.				
Casing String & Cementing (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings.				
BOP & Related Equipment Tests (Notify Supervisory Petroleum Technician)	-	Twenty-Four (24) hours prior to initiating pressure tests.				
First Production Notice (Notify Petroleum Engineer)	-	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.				

The onsite inspection for the subject well site was conducted on Wednesday, September 19, 2007 at approximately 10:47 a.m. Weather conditions were clear, cool and breezy. In attendance at the onsite inspection were the following individuals:

Darren Williams

Natural Resource Specialist Bureau of Land Management

Bureau of Land Management

Brandon McDonald Randy Smith

Wildlife Biologist Field Operations

Permitco Inc.

Shon McKinnon

Consultant

Gasco Production Company

Jake Huffman

Dirt Contractor Surveyor

Uintah Engineering and Land Surveying

Jesse Walton Linda Sperry

Environmental Specialist

SWCA

1. **EXISTING ROADS**

The proposed well site is located approximately 28 miles southeast of Myton, Utah. a.





Lease No. UTU-74401

SURFACE USE PLAN

Page 3

b. Directions to the location from Myton, Utah are as follows:

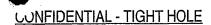
Proceed in a southeasterly direction from Myton, Utah for approximately 12.7 miles to the Castle Peak Mine. Turn right and continue southerly for 6.6 miles until reaching a fork in the road. Turn left and proceed easterly 4.7 miles. Turn right and proceed southwest 2.7 miles. Continue southwest onto an existing 2-track 0.7 miles. Turn right onto the proposed access and proceed north 0.6 miles until reaching the proposed location.

- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to existing main roads will not be required.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. NEW OR RECONSTRUCTED ACCESS ROADS

- a. Approximately 0.6 miles of new construction will be necessary.
- b. The maximum grade of the new construction will not exceed 8%.
- c. No culverts will be necessary. There will be two low water crossings installed along the proposed access.
- d. The 0.6 miles of new access road was centerline flagged at the time of staking.
- e. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- f. No cattle guards will be necessary.
- g. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.





Lease No. UTU-74401

SURFACE USE PLAN

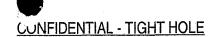
Page 4

- h. All access roads will be constructed in accordance with Gold Book Standards.
- i. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- j. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- k. Road right of way is requested for a portion of the new access located in Sec. 23, T10S -R17E. We are requesting that this APD be used as our application for road right of way. Please notify us once a category determination has been made so that we may send the necessary fees.

3. LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCATION (See Map "C")

- a. Water wells none
- b. Producing wells one
- c. Shut-in wells none
- d. Temporarily abandoned wells none
- e. Disposal wells none
- f. Abandoned wells one
- g. Dry Holes none





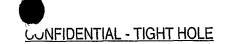
Lease No. UTU-74401

SURFACE USE PLAN Page 5

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Carlsbad Canyon. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire contents of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. If the well is productive, a production facility layout will be submitted via sundry.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the separator. Meter runs will be housed and/or fenced.
- f. If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.
- g. Any necessary pits will be properly fenced to prevent any wildlife entry.
- h. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- i. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- j. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease shall have prior written approval from the BLM, Vernal Field Office.
- k. All measurement points shall be identified as point of sales or allocation for royalty determination prior to the installation of facilities.





Lease No. UTU-74401

SURFACE USE PLAN

- Page 6
- Oil and gas meters shall be calibrated in place prior to any deliveries. The Field Office l. Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM, Vernal Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement.
- All access roads will be maintained as necessary to prevent erosion and accommodate m. year-round traffic.
- The road will be maintained in a safe useable condition. n.
- Produced water will be stored in a 300 bbl heated, insulated tank, then hauled to a 0. commercial disposal site such as Disposal Inc., or Brennan Bottom.
- Pipelines will follow the route shown on Map D. See Pipeline detail attached. Pipeline p. right of way is needed for the portion of pipeline located outside the lease boundary located in the NE SE Section 23, T10S - R17E. We are requesting that this APD be used as our application for pipeline right of way. Please notify us once a category determination has been made so that we may send the necessary fees.

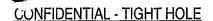
LOCATION AND TYPE OF WATER SUPPLY 5.

- The proposed water source will be the Nebecker Water Service at the Nebecker Water a. Station in Myton, permit #43-1721.
- Water will be hauled by Nebecker Water Service to the location over the access roads b. shown on Maps A and B.
- No water well will be drilled on this lease. C.

CONSTRUCTION MATERIALS 6.

- Surface and subsoil materials in the immediate area will be utilized. a.
- Any gravel used will be obtained from a commercial source. b.





Lease No. UTU-74401

SURFACE USE PLAN

Page 7

- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.
- e. Operator shall notify any active Gilsonite mining operating within 2 miles of the location 48 hours prior to any blasting during construction for this well.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. At the request of the BLM, the reserve pit will be lined with a 12 mil liner. If fractured rock is encountered, the pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the A.O.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- d. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.
- e. Drill cuttings are to be contained and buried in the reserve pit.
- f. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- g. A chemical porta-toilet will be furnished with the drilling rig.





Lease No. UTU-74401

SURFACE USE PLAN

Page 8

h. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas salt water or other produced fluids will be cleaned up and removed.

8. ANCILLARY FACILITIES

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. WELL SITE LAYOUT

- a. The operator or his/her contractor shall contact the BLM Office at 435/781-4400 forty-eight (48) hours prior to construction activities.
- b. The reserve pit will be located on the north side of the location.
- c. The flare pit will be located on the east side of the reserve pit, a minimum of 100 feet from the well head and 20 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the south side of the location, between corners 1 and 2 near the wellpad. Topsoil along the access route will be wind rowed on the uphill side.
- e. Access to the well pad will be from the southwest as shown on the Pit & Pad Layout.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be shown on the Location Layout.
- h. All pits will be fenced according to the following minimum standards:
 - 1. 39 inch net wire shall be used with two strands of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).





Lease No. UTU-74401

SURFACE USE PLAN

Page 9

- 2. The net wire shall be no more than 2-inches above the ground. The barbed wire shall be 3-inches above the net wire. Total height of the fence shall be at least 42-inches.
- 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
- 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- i. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. PLANS FOR SURFACE RECLAMATION

Producing Location

- a. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- c. If a plastic nylon reinforced liner is used it shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities or operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.





Lease No. UTU-74401

SURFACE USE PLAN

Reclamation of unused disturbed areas on the well pad/access road no longer needed for e. operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Authorized Officer. A seed mixture will be specified by the Bureau of Land Management in their Conditions of Approval for the subject well.

Seeding will be performed immediately after the location has been reclaimed and the pit has been backfilled, regardless of the time of year. Seed will be broadcast and walked in with a dozer.

- f. The topsoil stockpile will be seeded as soon as the location has been constructed with the same recommended seed mix. The seed will be walked in with a cat.
- The seed mixture will be recommended by the BLM. g.

Plugged and Abandoned

- At such time as the well is plugged and abandoned, the operator shall submit a a. subsequent report of abandonment and BLM will attach the appropriate surface rehabilitation conditions of approval.
- b. Following well plugging and abandonment, the location, the access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil respread over the surface; and, the surface revegetated per BLM requirements.
- Other reclamation methods including but not limited to mulching or soil treatments may be C. required on a site-specific basis.

Interim Surface Reclamation will be as follows:

- Immediately after final well completion, the location and surrounding area will be cleared a. of all unused tubing, materials, trash, and debris not required for production operations.
- b. Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in the reserve pit will be removed. Other waste and spoil materials will be disposed of immediately, weather permitting, upon final well completion.





Lease No. UTU-74401

SURFACE USE PLAN

Page 11

- c. If a synthetic, nylon re-enforced, liner is used, the excess liner will be cut off and removed and the remaining liner will be torn and perforated while backfilling the reserve pit.

 Alternatively, the pit will be pumped dry, the liner folded into the pit, and the pit backfilled. The liner will be buried to a minimum of four (4) feet deep.
- d. The reserve pit will be reclaimed within 180 days from the date of final well completion, weather permitting.
- e. The reserve pit and that portion of the location not needed for production and storage facilities, and everyday production operations, will be reshaped to the approximate original contours to the extent possible. This will be completed by backfilling and crowning the pit to prevent water from standing. Topsoil will be re-spread up to the rig anchor points, excluding the area needed for production and storage facilities and everyday production operations. Re-seeding, using appropriate reclamation methods, will occur immediately following the re-spreading of topsoil, weather permitting. The Authorized Officer will provide a seed mixture to re-vegetate the reserve pit and other unused disturbed areas at the time of the onsite.

11. SURFACE OWNERSHIP

<u>Access Roads</u> - The majority of the access roads are maintained by the County Road Department or the Bureau of Land Management.

Well pad - The well pad is located on lands managed by the BLM.

12. OTHER INFORMATION

- a. A Class III archeological survey has been conducted by Grand River Institute and will be submitted under separate cover.
- b. A Paleontological Evaluation was done by Alden Hamblin and is attached.
- A Special Status Plant and Wildlife Species report was done by SWCA and will be submitted directly by SWCA.





Lease No. UTU-74401

SURFACE USE PLAN Page 12

- d. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
 - -whether the materials appear eligible for the National Register of Historic Places;
 - -the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - -a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- e. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.
- f. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure.
- g. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.





Lease No. UTU-74401

SURFACE USE PLAN

Page 13

- h. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- i. There will be no deviation from the proposed drilling and/or work over program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.
- j. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- k. This permit will be valid for a period of two years from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- I. The operator or his contractor shall contact the BLM Offices at 435/781-4400 48 hours prior to construction activities.
- m. The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

AGENT AND OPERATOR'S CONTACT INFORMATION

Permit Matters

PERMITCO INC.

14421 County Road 10 Ft. Lupton, CO 80621 303/857-9999 (O) 303/857-0577 (F) Lisa Smith **Drilling & Completion Matters**

Gasco Production Company

8 Inverness Drive East, Suite 100 Englewood, CO 80112 John Longwell 303/483-0044 (O) 303/ 483-0011(F)

Shawn Elworthy - Field Superintendent Roosevelt, UT 435-823-4272 (cell)



PIPELINE INFORMATION Wilkin Ridge Federal #43-23-10-17

- 1. The type of pipeline is a single well flow line.
- 2. The outside diameter (O.D.) of all will be 8 inches maximum.
- 3. The anticipated production through the line is approximately 2000 MCF per day.
- 4. The anticipated maximum test pressure is 1000 psi.
- 5. The anticipated operating pressure is 100-200 psi.
- 6. The type of pipe is steel.
- 7. The method of coupling is welded.
- 8. There are no other pipelines to be associated in same right of way.
- 9. There will be other objects to be associated in the same right of way. (Risers, Pig Launchers Pig Traps, meters and other appurtenances as required.)
- 10. The total length of pipeline is approximately 6,811 feet see Map D.
- 11. The line will be laid on surface because of the rocky surface as shown on Map D. The pipeline will follow existing or proposed roads.
- 12. The construction width for total surface disturbing activities is 30 feet.
- 13. The estimated total acreage involving all surface disturbing activities is 4.69 acres.
- 14. Any surface disturbance created as a result of the pipeline construction will be reclaimed utilizing the reclamation procedures and seed mixture specified by the Bureau of Land Management.
- 15. The line will be tested with gas pressure to 1000 psi.





PERMITCO INC. 14421 County Road 10 Fort Lupton, CO 80621

Phone 303/857-9999

Fax 303/857-0577 E-mail LSPermitco@aol.com

In order to complete the required federal permits, it will be necessary for you to supply the following information:

			CLIE	NT INFOR	MATION				
Client Name:	Gasco Prod		mpany						
			erness Drive East, Suite City: Englewood			State:	CO	Zip:	80112
Telephone:	303.483.00	44	Fax:	303	3.483.0011	E-Mail:	dsmith@	gascoener	gy.com
			CHEDAL	14/51 11/	FORMAT				
TALLIN SA	14/31 D. I			. WELL IN					
Well Name & N					Wilkin Ric	dge		Wildcat	
Surface location PBHTD location		JS-17E19	45' FNL 5	18. FET					
l									
County Uintal	<u> </u>	State	UT	<u> </u>	Type (Ch	eck One)	Oi	Ga X	СВМ
ls this a Federa	al Unit? (Che	ck OnMa)		Ye 🛛	Unit	Wilkin F	Ridge		
Confidential Ti	ght Hole? (C	heck On		No			Yes	х	
									
	D4			SING PRO					
	Depth		Size	O.D.	Weight	Grade	Type	New	Used
Conductor	300	17	1/2"	13 3/8"	48#	H-40		X	
Curfoco	6020	40	4 / 4 11	0.5(0)	50.5//	N 00	. = -		ļ
Surface	6830	12	1/4"	9 5/8"	53.5#	N-80	LTC	X	
Production	17340	7 7	/8"	4 1/2"	15.1#	HCP-110	LT&C	X	
*If Open Hole C	<u> </u>				10, 1π	1101-110	LIAC	1 ^	
ii Open noie C	ompletion,	Diease III	aicate int	ervai.					
		CEMEN	IT PROG	RAM (INC	LUDE ADI	DITIVES)			
Conductor	Type and A	mount				<u> </u>			
Conductor	300 s	s Premiu	m Type 5	mixed at 1	5.6 ppg, y	ield 1.18			
Est. Top of Cement									
Surface	Type and A	mount							
Surface	940 S	X Hi-Lift @	0 11 PPG	, Yield = 3.	.91 cu.ft./ft	, followed b	У		
Est. Top of Cement	₁₈₅ S	X 10-2 RF	C @ 14.2	PPG, Yie	ld = 1.63 c	:u.ft./ft			
Production	Type and A			,					
6730'			0 11.5 PP	G. Yield =	3.05 cu.ft.	/ft, followed	bν	1	
Est. Top of Cement		_	•	.1 PPG, Yi		•	-)		
LSt. 10p of Cement									
			ML	JD PROGE					
Interval	Mud T			Mud V		Viscosity	Flui	d Loss	рН
0 - 300	fresh w			8.3		32		na	7
300 6830	fresh w			8.33		32		na	7-8
6830 -TD	Fresh wate	ra DAP		9.0-	12.5	30-40	1:	2-20	8
									<u>L</u>
No. of Days to I	Reach T.D	55	Approx	imate Spu	id Date		10/1/	/2008	
Abnormal Press	sures Expec	ted? (Ch	eck One)	No		Yes[x		
If yes How C		·			Mud V				
Max Bottom Ho	le Pressure_		10404	PSIG :	x Bottom	Hole Temp	erature	312.12	:°F
				HAZARDS	 3				
Hydrogen Sulfic	do Gaes (Ch	ook One	i			V - I			
Other Potential	*			No		Yes			
f Yes, Name of H	**	<u>'</u>	Conting	anay Plan					
r res, Name or n Telephone	20 Company	ro hiehale	= Conunge	ency Flan		· · · · · · · · · · · · · · · · · · ·		***	
Anticipated Drilling	g Contractor		Nat	oors		Phone #			
Well Pad Size	-		350×	(450'			F	Rig#	
Pit Size 120'X	140'						Donth a	of Dit 10'	

Wilkin Ridge Fed 42-23-10-17

JPOSED	COMP	LETION	PROGRA	4M

Perform multistage fracs and complete all productive Dakota, Mancos, Blackhawk, Mesaverde and Wasatch zones present in wellbore. Produce all zones commingled.

Primary Objective **Secondary Objective**

FORMATION TOPS

Formation	TVD	MD	Subsea
Wasatch		4830	710
Mesaverde		8900	-3360
Castlegate		11420	-5880
Blackhawk		11680	-6140
Kenilworth		12190	-6650
Spring Canyon		12460	-6920
Mancos		12620	-7080
Dakota		17040	-11500
TD		17340	

ANTICIPATED DEPTHS OF WATER, OIL, GAS AND COAL BEARING ZONES:

Substance	Formation	Anticipated Depth
Gas	Wasatch	5000-8900
Gas	Mesaverde	8900-11420
Gas	Blackhawk	11680-12560
Gas	Mancos	12620-17040
Gas	Dakota	17040-17240

LOGGING PROGRAM

Logs	Depth		
Baker Minislam or equivalent	Base surface csg-TD		

CORING PROGRAM

Formation	Depth
None planned	

DRILL STEM TESTS

Formation	Depth
None planned	

SURFACE OWNER INFORMATION

Has the Su Name of Si	urface Owner been notified of your intent to drill? urface Owner	N 🔲	Yes 🔲
Address _	Telephone:		
City _	State	Zip	
		·	



	LEASE INFORMATION		
Lease:	Attached On	Lease # UTU-74401	Total # of Acres 1,440
Stipulations:	Attached On Bi		Other See below
Distance to Nearest Lease Line:		stance to nearest surface	
Acres in Spacing Unit	Acres in Dril		pt. Drilling Unit SENE
Spacing Order #		Spacing Docket #	N/A 🗌
Lease Expiration Date HBU			xpiration Date
Location of Nearest Well completed/drilling within this lease			IR DSU 24-C-11, NESW 24 ##
Location of nearest Well completed in the objective formation			ed 14-31-9-19, SW31-T9S-R19E
			xpiration Date IR DSU 24-C-11, NESW 24 Fed 14-31-9-19, SW31-T9S-R19E
LEASE DESCRIPTION: (PLEASE DESCRIBE LOCATION	OF ANY LOTS:	
	Township 10 South, Range 17		
"	Section 23: NE,NENW,SW,W2		
	Section 24: S2NE,SW,N2SE,S		
1	Section 25: NENE,S2NE,W2,S	šE;	
Conv of lease	e emailed to PermitCo May 28, 2	2008	
oopy or rouse	emaned to Permittoo May 20, 2	.000.	
Stipulations: Ferruginous Hawk in S	ections 23: SW, W2SE Section	25: S2NE, SE (not drillsi	te)
Golden Eagle Section	23: NE,NENW,SW,W2SE,SESE,	(Entire Lease)	
			ľ
	BOND INFORMATION		
BLM Bond No.	UT 1233 Nati	ionwide Statewi	de X Single Well
Water Source (if known)	Myton water doc	k, Produced field water,	green river
Water Hauler	Nebecker	Pho	
Do you wish to have dirt contractor(s) pres	ent at an oneite inspection?	ν.	No.
Dirt Contractors	on at an onone mopeonom	1	s No 🗆
			Telephone
Huffman			
Surveyor			
Archeologist			Telephone
Number of copies of permit required?			Telephone
In house	Partners		<u> </u>
If you prefer, copies will be mailed directly to your partners. Ple			J 7
			Telephone Telephone
Attachments:			~
1. Authorization of Agent Letter on your company's letterhead		Attached	On File @ PermitCo
2. Map showing surface ownership of access route		Attached	On File @ PermitCo
3. BOP and Choke Manifold Schematic			
2000psi	3000 psi 5000	Other	10,000 psi
·	Annular 7 psi	Double Ram X	, ,
We would like P	ermitCo Inc. to supply a BOP d	liagram X We will s	supply the BOP diagram
4. Map or description of all producing, injection/disposal, drillin	g, water wells within a 1-mile		
radius of the proposed drillsite.		tached To be	prepared by surveyor
MM. M. T			
Contact Person for drilling/completion matters		JOHN LONGWEL	1.
		Home Phone	303-870-6169

Thank you for taking the time to complete these forms. Please return this information to the address below.

PERMITCO INC.

14421 County Road 10
Fort Lupton, CO 80621
Phone 303/857-9999 Fax 303/857-0577
E-Mail: LSPermitco@aol.com or Permitco1@aol.com

Wilkin Ridge Fed 42-23-10-17



GASCO PRODUCTION COMPANY

WILKIN RIDGE FEDERAL #42-23-10-17

LOCATED IN UINTAH COUNTY, UTAH SECTION 23, T10S, R17E, S.L.B.&M.

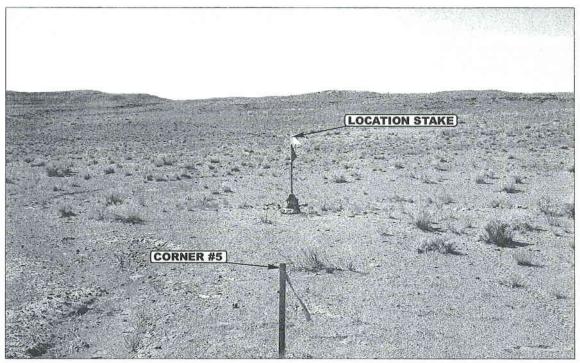


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHWESTERLY



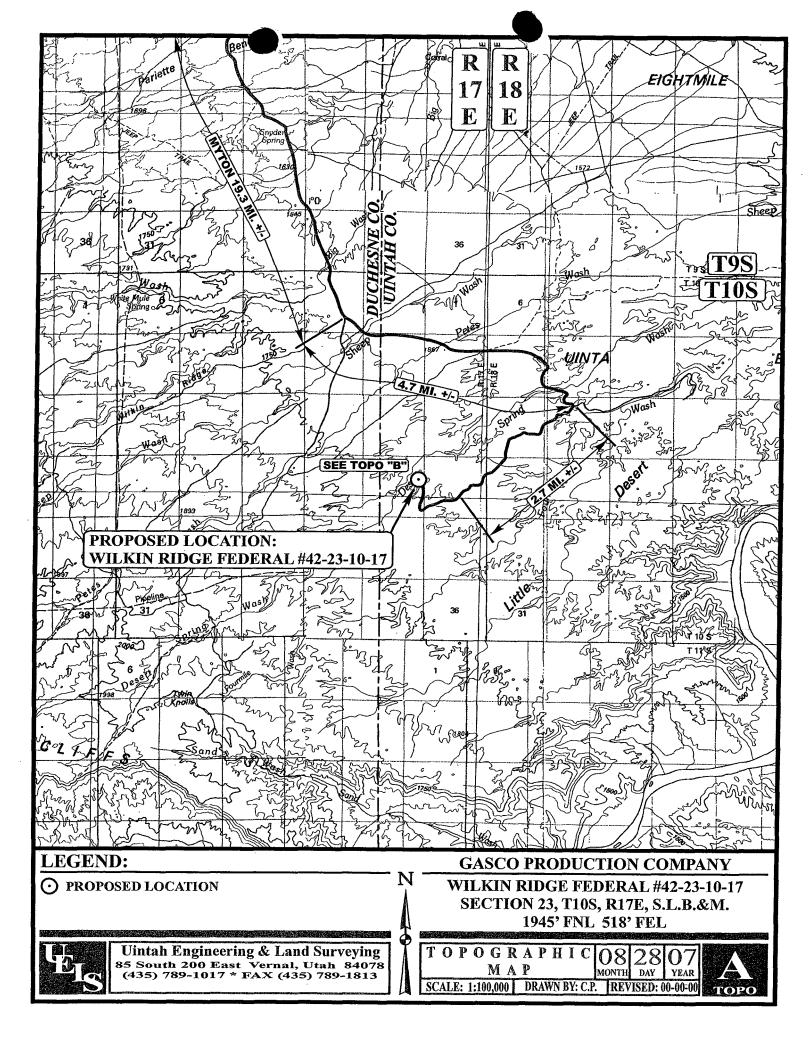
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

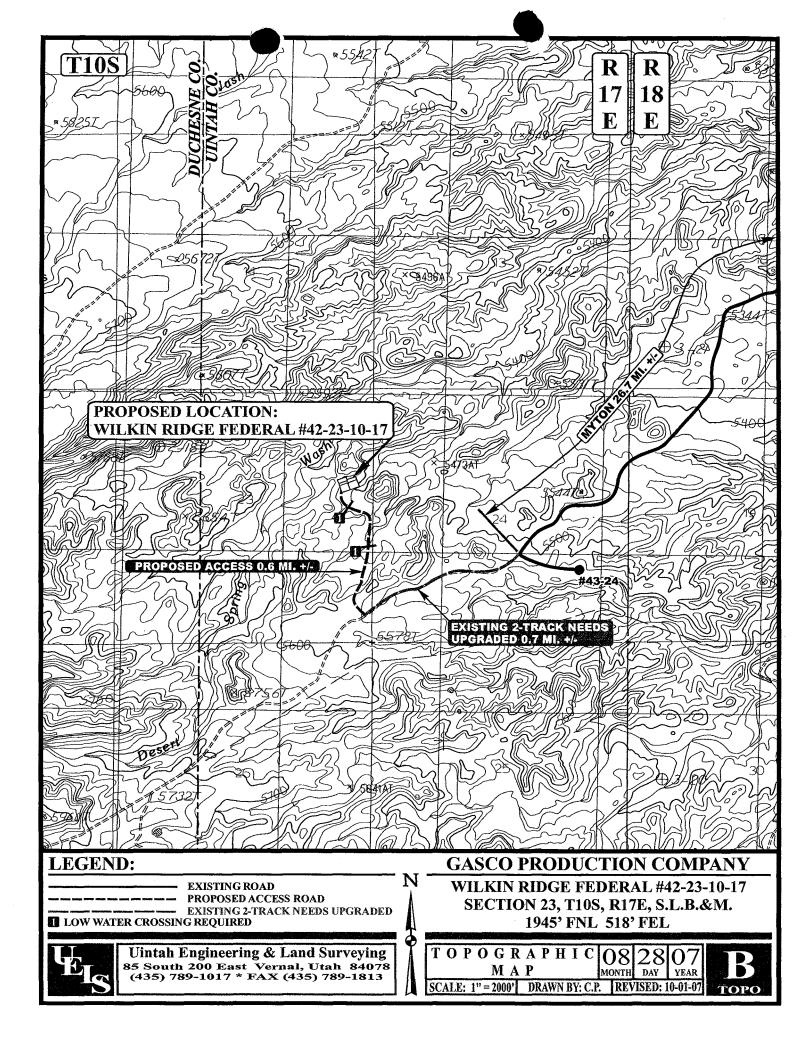
LOCATION PHOTOS

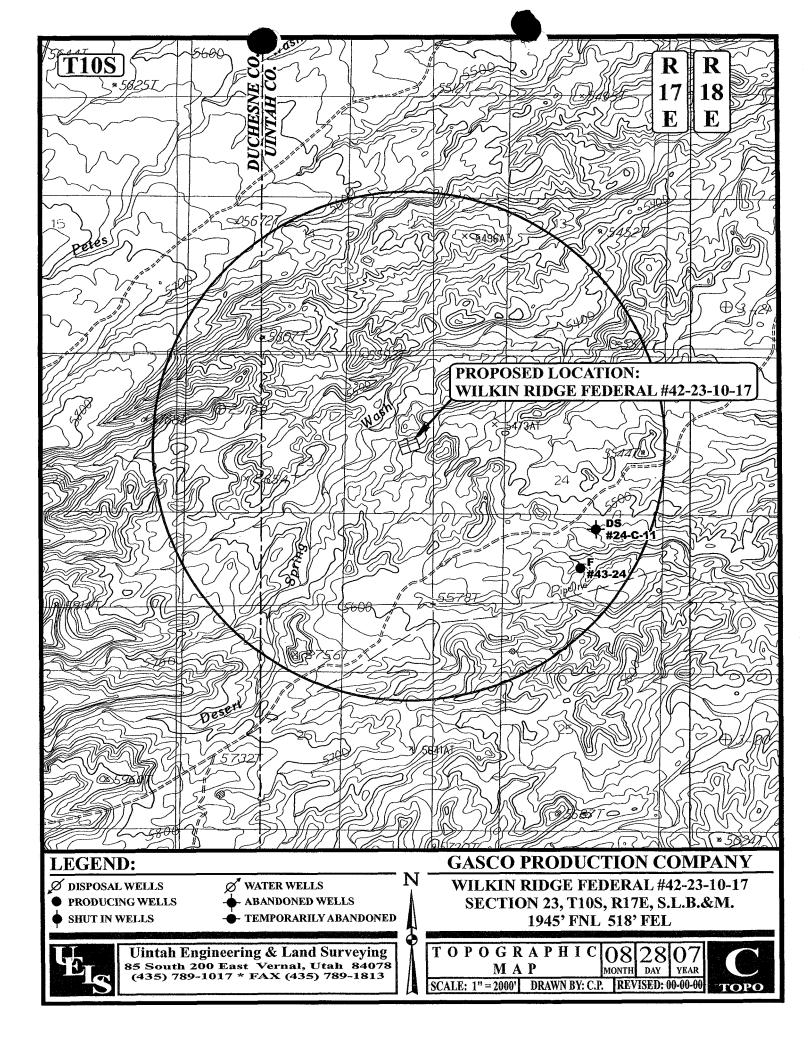
08 28 07

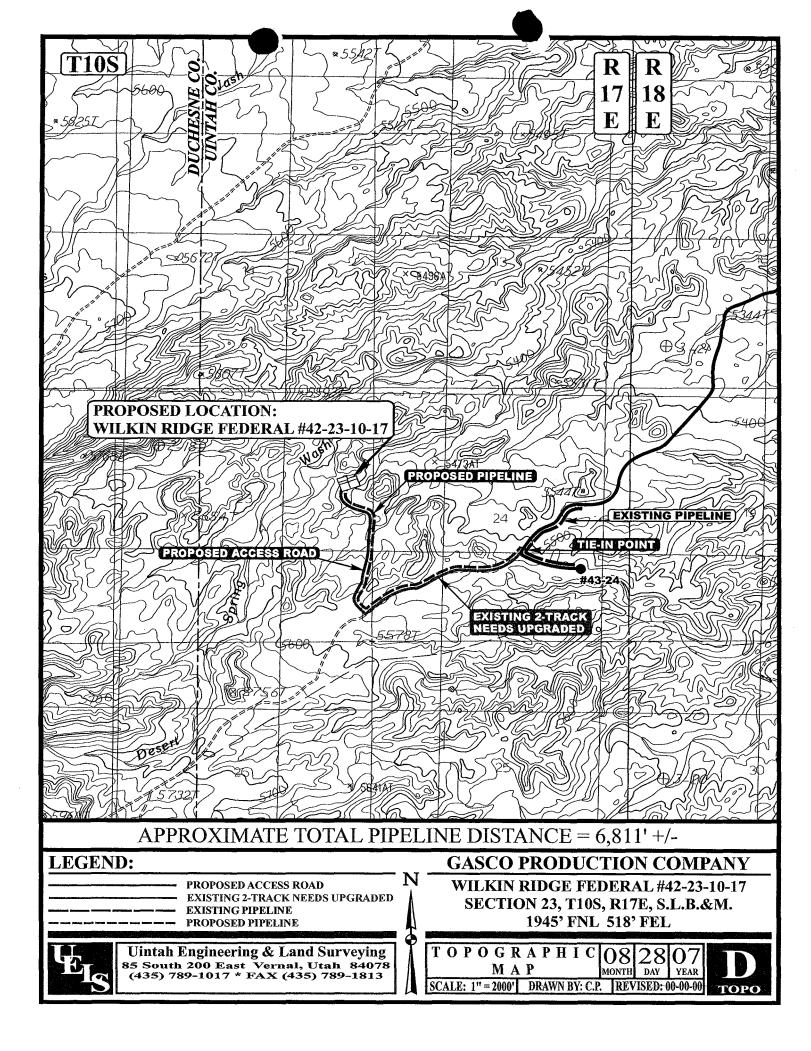
РНОТО

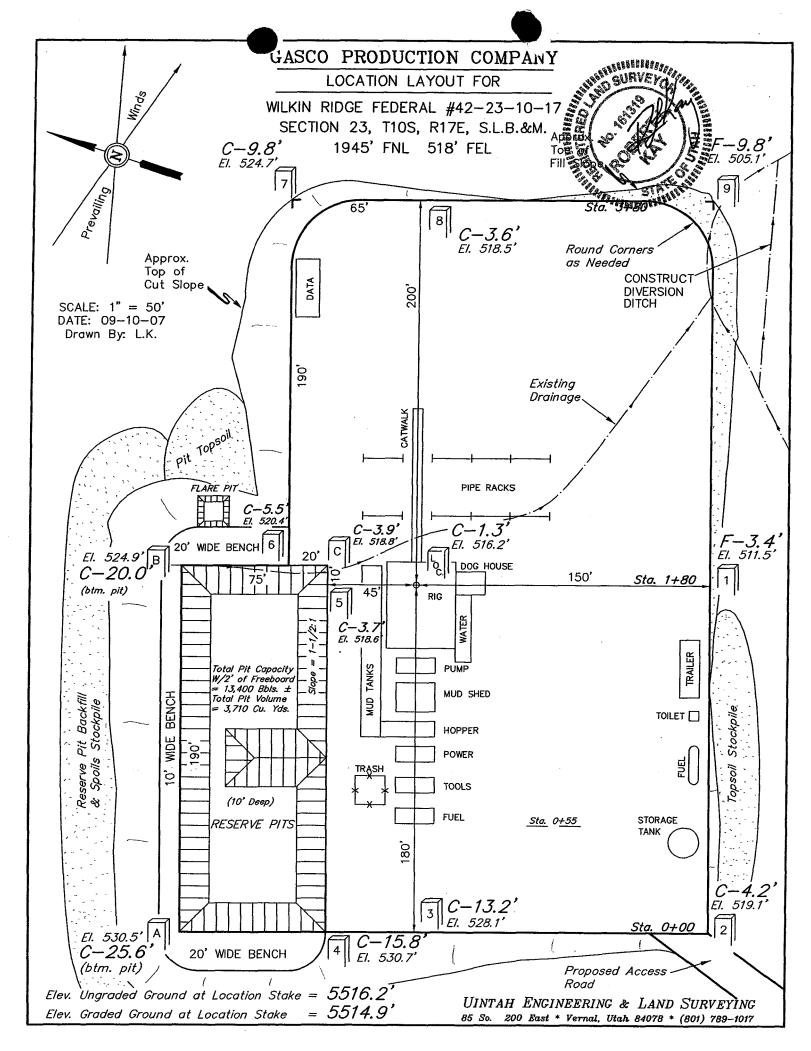
TAKEN BY: J.W. DRAWN BY: C.P. REVISED: 00-00-00

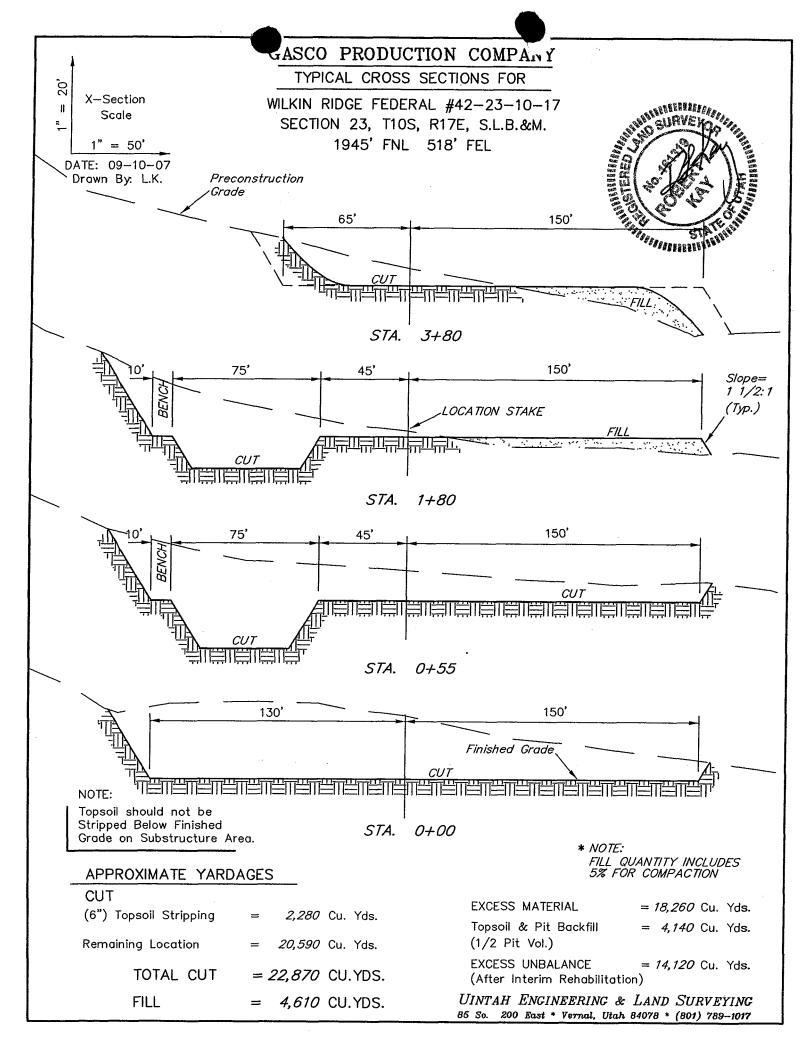












FEDERAL STIPULATIONS AND TIMING RESTRICTIONS

Any federal stipulations will be attached as a condition of approval by the BLM.



ARCHEOLOGY

A Class III Archeological Survey was conducted by Grand River Institute. The report will be submitted under separate cover directly by Grand River Institute.



PALEONTOLOGY EVALUATION SHEET

PROJECT: GASCO ENERGY WELL - Wilkin Ridge Federal #42-23-10-17

LOCATION: Twenty four miles south of Roosevelt, Utah in 1945' FNL 518' FEL of section 23, T10S, R17E, Uintah County, Utah.

OWNERSHIP: PRIV[] STATE[] BLM[X] USFS[] NPS[] IND[] MIL[] OTHER[]

DATE: September 27, 2007

GEOLOGY/TOPOGRAPHY: Rock exposures in the area are of the lower part of the lower member of the Uinta Formation, Upper Eocene age. This is an area of moderate relief with Uinta Formation outcrops and flat to round-bottom drainages. The well pad sits on a south sloping area south of a saddle surrounded by tan sandstone and underlain by gray sandstone of the Uinta Formation. It is south of Desert Spring Wash. The access road leaves a two-track road and goes south across one draw, over a small hill and across another drainage and up to well pad.

PALEONTOLOGY SURVEY: YES [X] NO Survey [] PARTIAL Survey [] The well pad, road and pipeline routes were surveyed.

SURVEY RESULTS: Invertebrate [] Plant [] Vertebrate [X] Trace [] No Fossils Found []

Occasional turtle shell fragments, weathered, scattered and of poor quality. These were mostly seen along the access road on each side of the small hill, but two isolated fragments were found at the well pad. None of this material was deemed important enough to record as a locality.

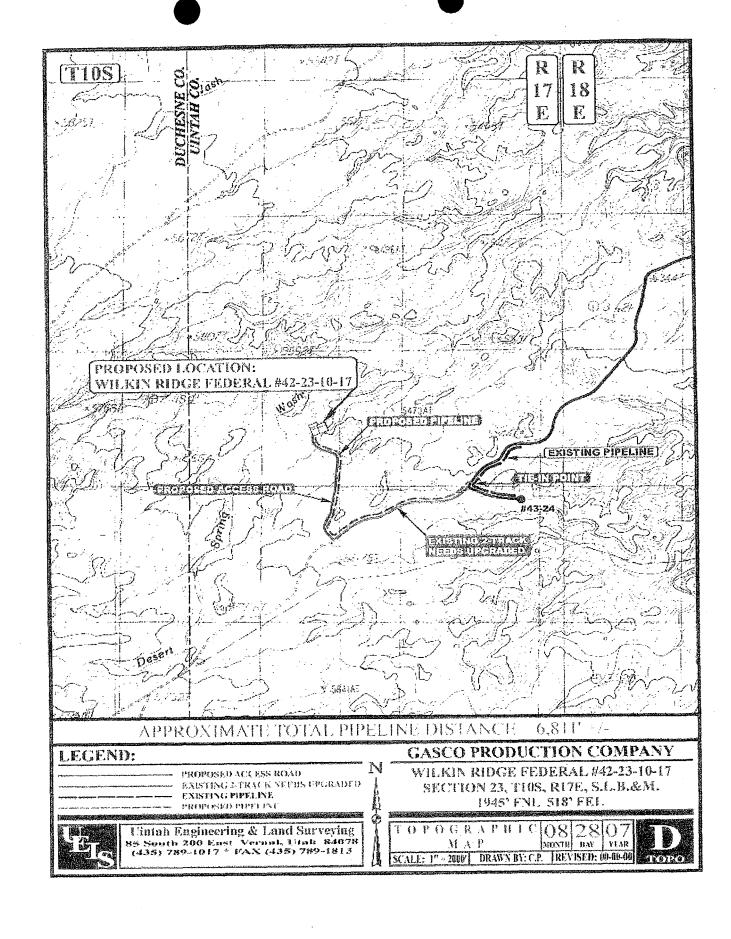
PALEONTOLOGY SENSITIVITY: HIGH [] MEDIUM [x] LOW [x] (PROJECT SPECIFIC)

MITGATION RECOMMENDATIONS: NONE [X] OTHER [] (SEE BELOW)

There is always some potential for discovery of significant paleontological resources in the Uinta Formation. If significant vertebrate fossils (mammals, crocodiles, complete turtle shells, etc.) are encountered during construction, work should stop in that area and a paleontologist contacted to evaluate the material discovered.

PALEONTOLOGIST: Alden H. Hamblin

A.H. Hamblin Paleontological Consulting, 3793 N. Minersville Highway, Cedar City, Utah 84720 (435) 867-8355 Utah State Paleontological Permit # 04-339, BLM paleontological Resources Permit # UT-S-05-02. Utah Professional Geologist License — 5223011-2250.

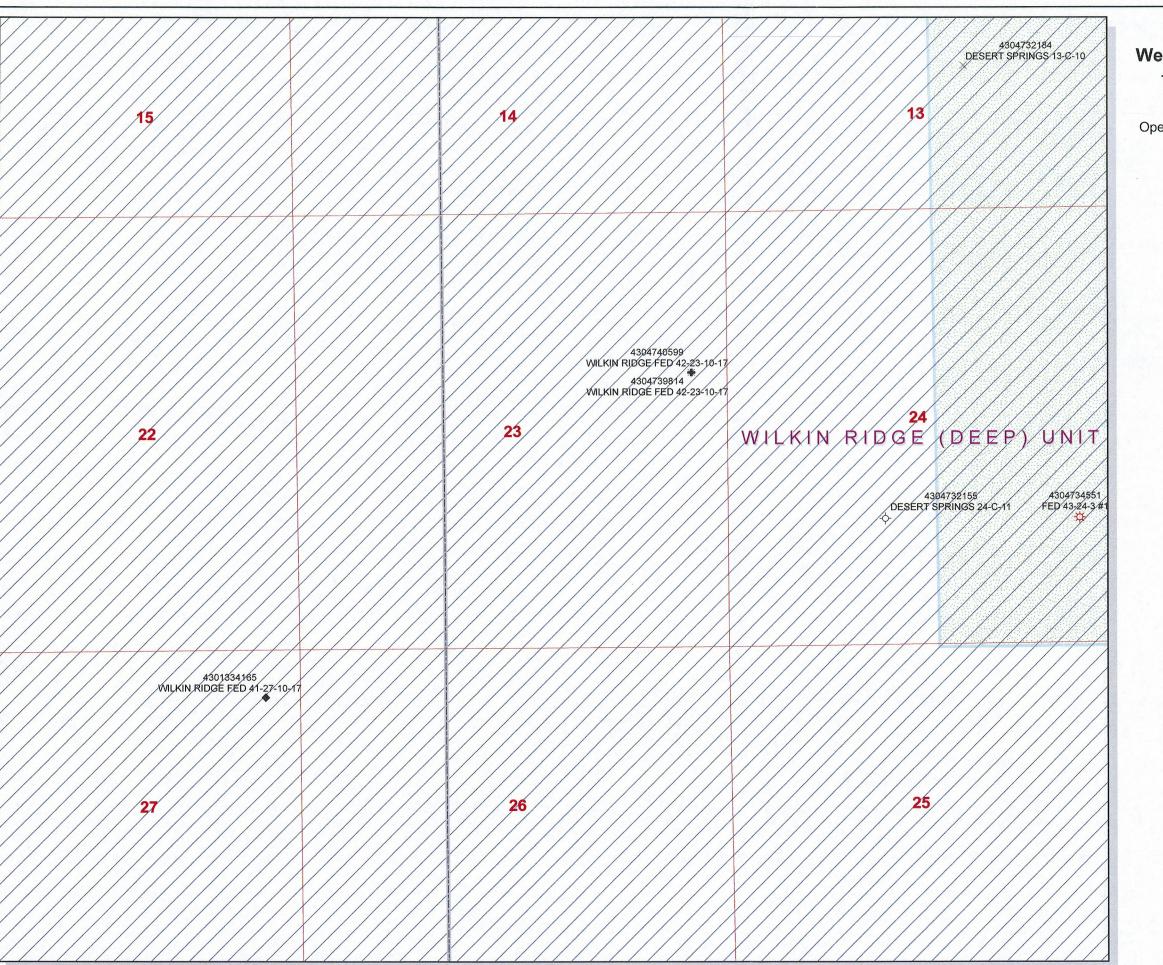




WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/23/2009	API NO. ASSIGNED: 43-047-40599
WELL NAME: WILKIN RIDGE FED 42-23-10-17 OPERATOR: GASCO PRODUCTION (N2575 CONTACT: ROGER KNIGHT) PHONE NUMBER: 303-483-0044
PROPOSED LOCATION:	INSPECT LOCATN BY: / /
SENE 23 100S 170E	Tech Review Initials Date
SURFACE: 1945 FNL 0518 FEL BOTTOM: 1945 FNL 0518 FEL	Engineering
COUNTY: UINTAH	Geology
LATITUDE: 39.93138 LONGITUDE: -109.96550 UTM SURF EASTINGS: 588396 NORTHINGS: 4420	Surface
FIELD NAME: UNDESIGNATED (2	
LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-74401 SURFACE OWNER: 1 - Federal	PROPOSED FORMATION: BLKHK COALBED METHANE WELL? NO
RECEIVED AND/OR REVIEWED:	LOCATION AND SITING:
<pre> ✓ Plat ✓ Bond: Fed[1] Ind[] Sta[] Fee[] (No. UT 1233) ✓ Potash (Y/N) ✓ Oil Shale 190-5 (B) or 190-3 or 190-13 ✓ Water Permit (No. 43-1721) RDCC Review (Y/N) (Date:) ✓ Pee Surf Agreement (Y/N) ✓ Intent to Commingle (Y/N)</pre>	
COMMENTS:	
STIPULATIONS: 1- Code 2 Spec	ans Stir



API Number: 4304740599

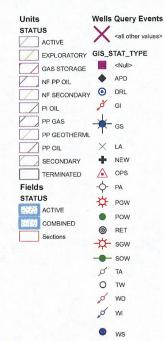
Well Name: WILKIN RIDGE FED 42-23-10-17

Township 10.0 S Range 17.0 E Section 23

Meridian: SLBM

Operator: GASCO PRODUCTION COMPANY

Map Prepared: Map Produced by Diana Mason











BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

March 27, 2009

Memorandum

To:

Assistant District Manager Minerals, Vernal District

From:

Michael Coulthard, Petroleum Engineer

Subject:

2009 Plan of Development Wilkin Ridge Unit, Duchesne and

Uintah County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Wilkin Ridge Unit, Duchesne County, Utah.

API#

WELL NAME ,

LOCATION

(Proposed PZ Blackhawk)

43-013-34245 Wilkin Ridge Fed 41-28-10-17 Sec 28 T10S R17E 0793 FNL 0858 FEL 43-047-40599 Wilkin Ridge Fed 42-23-10-17 Sec 23 T10S R17E 1945 FNL 0518 FEL

Both wells were previously permitted, the 41-28-10-17 as 4301333473 see memo dated 1/2/2007 and the 42-23-10-17 as 4304739814 see memo dated 12/17/2007. This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc:

File - Wilkin Ridge Unit

Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA

Division Director

March 30, 2009

Gasco Production Company 8 Inverness Drive East Englewood, CO 80112

Re:

Wilkin Ridge Federal 42-23-10-17 Well, 1945' FNL, 518' FEL, SE NE, Sec. 23,

T. 10 South, R. 17 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-40599.

Sincerely,

Gil Hunt

Associate Director

pab Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal Office



Operator:	Gasco Production Company			
Well Name & Number	Wilkin Ridge Federal 42-23-10-17			
API Number:	43-047-40599			
Lease:	UTU-74	401		
Location: SE NE	Sec. 23	T. 10 South	R. 17 East	

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the division within 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Form 3160-3 (August 2007)

DEPARTMENT OF THE INTERIOR VERY A BUREAU OF LANDAUGH

BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0137 Expires July 31, 2010

5.	Lease	Serial	No.
----	-------	--------	-----

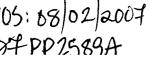
ο,	Lease Serial No
	HTIL7///01

APPLICATION FOR PERMIT TO	DRILL OR REENTER	25 PM 4: 08	6. If Indian, Allottee o	or Tribe Name	
1a. Type of Work: X DRILL RE	BENTER BUREAUO,		7. If Unit or CA Agree Wilkin Ridge	ement, Name and No.	
1b. Type of Well: Oil Well Gas Well Other	Single Zone		8. Lease Name and W	^{rell No.} ederal #42-23-10 ₋ 17	
2. Name of Operator 303-483-0044	8 Inverness Dr. East, S	Suite 100	9. API Well No.	7	
Gasco Production Company	Englewood, CO 80112		43 047	40559	
3. Name of Agent 303/857-9999	14421 County Road 10		10. Field and Pool, or	Exploratory	
PermitCo Inc Agent	Fort Lupton, CO 80621	·	Wilkin Ridge		
4. Location of Well (Report location clearly and in accordance with	th any State requirements.*)		11. Sec., T., R., M., or	Blk, and Survey or Area	
At surface 1945' FNL and 518' FE At proposed prod. zone SE NE	iL .		Section 23, T1	0S - R17E	
14. Distance in miles and direction from nearest town or post office	*		12. County or Parish	13. State	
Approximately 28 miles southeast of Myton, UT			Uintah	Utah	
15. Distance from proposed* location to nearest	16. No. of Acres in lease	17. Spacing Unit d	edicated to this well		
property or lease line, ft. (Also to nearest drig. unit line, if any) 518'	1440		40 Acres; SE NE	Į	
18. Distance from proposed location* to nearest well, drilling, completed,	19. Proposed Depth	20. BLM/BIA Bon	d No. on file		
applied for, on this lease, ft. None	12,755'		Bond #UT-1233		
21. Elevations (Show whether DF, KDB, RT, GL, etc.)	22. Approximate date work v	vill start*	23. Estimated duration		
5516' GL	ASAP		24 Days		
	24. Attachments			*	
The following, completed in accordance with the requirements of Onshore Oil a	and Gas Order No. 1. shall be attach	ed to this form:			
		2 00 1110 101111.			
1. Well plat certified by a registered surveyor.	4. Bond to	cover the operations	unless covered by an exis	sting bond on file (see	
2. A Drilling Plan.	•	0 above).			
3. A Surface Use Plan (if the location is on National Forest System I		certification.			
SUPO must be filed with the appropriate Forest Service Office).	<u> </u>		nation and/or plans as ma	av be required by the	
	BLM.	•	•		
<u>CONFIDENTIAL-TIGHT HOLE</u>					
25. Signature Sour ornandes	Name (Printed/Typed) Ven	essa Langmach	er D	ate 10/23/2007	
Title					
Authorized Agent for Gasco Production Company		··-·			
Approved by (Signature)	Name (Printed/Typed)	THOWAY		ate 12/14/09	
Assistant Field Manager Callin Lands & Mineral Resources	Office VER	NAL FIELD (OFFICE		
Application proval does not warrant or certify that the applicant ho	olds legal or equitable title to th	ose rights in the subj	ect lease which would en	title the applicant to	
conduct operations thereon.	NITIONS OF ADDDON	AL ATTACHED	ì		
	<u> DITIONS OF APPROV</u>				
Title 18 U.S.C. Section 1001and Title 43 U.S.C. Section 1212, make			_	t or agency of the	
United States any false, fictitious or fraudulent statements or representations.	ntations as to any matter within	its jurisdiction.	EIVED		

*(Instructions on reverse)

DEC 2 1 2009

NOTICE OF APPROVAL.
DIV. OF OIL, GAS & MINING



DIV. OF OIL, GAS & MINING



UNITED STATES DEPARTMENT OF THE INTERIOR **BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE** 170 South 500 East (435) 781-440

VERNAL, UT 84078



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	Gasco Production Company	Location:	SENE, Sec. 23, T10S, R17E
Well No:	Wilkin Ridge Federal 42-23-10-17	Lease No:	UTU-74401
API No:	43-047-40599	Agreement:	Wilkin Ridge Unit

RECEIVED

OFFICE NUMBER:

(435) 781-4400

OFFICE FAX NUMBER: (435) 781-3420

DEC 2 1 2009

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TOPH GEORGE, GAS & MINING FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

Location Construction (Notify Environmental Scientist)	-	Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify Environmental Scientist)	-	Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	-	Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to running casing and cementing all casing strings to: <u>ut_vn_opreport@blm.gov</u> .
BOP & Related Equipment Tests (Notify Supv. Petroleum Tech.)	-	Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	_	Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

- Surface Conditions of Approval or monitoring are listed in the Surface Use Plan of the APDs.
- The operator will control noxious weeds along access road use authorizations, pipeline route authorizations, well sites, or other applicable facilities by spraying or mechanical removal. On BLM administered land, it is required that a Pesticide Use Proposal be submitted, approved and a permit issued prior to the application of herbicides, pesticides or possibly hazardous chemicals.
- The operator shall construct a low water crossing along the proposed access road in order to maintain existing drainage.
- Within 90 calendar days of the approval date for this Application for Permit to Drill (APD), the operator/lessee shall submit to the Authorized Officer (AO), on Sundry Notice Form 3160-5, an Interim Surface Reclamation Plan for surface disturbance on well pads, access roads, and pipelines. At a minimum, this will include the reshaping of the pad to the original contour to the extent possible; the respreading of the top soil up to the rig anchor points; and, the area reseeded using appropriate reclamation methods. The AO will provide written approval or concurrence within 30 calendar days of receipt. The following seed mix shall be used:

Type		lbs./acre		
Western Wheatgrass	Agropyron smithii	4		
Needle and Threadgrass	Stipa comata	4		
Hy-crest Crested	Agropyron cristatum	4		
wheatgrass	· · ·			
** Seed shall be drilled; but if broadcasted double the pounds per acre				
used and work the solids n	nechanically to cover the seed	.		

RECEIVED
DEC 2 1 2009

• Following well plugging and abandonment, the location, access roads, pipelines, and other facilities shall be reclaimed. All disturbed surfaces shall be reshaped to approximate the original contour; the top soil respread over the surface; and, the surface revegetated. The following seed mix shall be used, unless BLM personnel determine that conditions have changed and another mix will be more suitable:

	Туре	lbs./acre
Shadscale	Atriplex confertifolia	3
Winterfat	Eurotia lanata	3
Galleta grass	Hilaria jamesil	3
Indian Rice Grass	Oryzopsis hymenoides	3
** Seed shall be drilled	l; but if broadcasted double the pods mechanically to cover the seed	•

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- 1. A surface casing shoe integrity test shall be performed.
- 2. Production casing cement top shall be at a minimum of 200' above the surface casing shoe.
- 3. A Cement Bond Log (CBL) shall be run from TD to the base of the surface casing.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.
- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily
 drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order
 No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a
 test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's
 log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.

DEC 2 1 2009

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM,
 Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

RECEIVED DEC 2 1 2009

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - o Operator name, address, and telephone number.

DEC 2 1 2009

o Well name and number.

DIV. OF OIL, GAS & MINING

- o Well location (¼¼, Sec., Twn, Rng, and P.M.).
- O Date well was placed in a producing status (date of first production for which royalty will be paid).
- o The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
- o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
- O Unit agreement and/or participating area name and number, if applicable.
- o Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.
- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion

RECEIVED

DEC 2 1 2009

Page 7 of 8 Well: Wilkin Ridge Fed 42-23-10-17 12/14/2009

DIV. OF OIL, GAS & MINING

Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office
 Petroleum Engineers will be provided with a date and time for the initial meter calibration and all
 future meter proving schedules. A copy of the meter calibration reports shall be submitted to the
 BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid
 hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be
 identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to
 the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs
 first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to.
 All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in
 accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval of
 the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.
- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office

Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

RECEIVED
DEC 2 1 2009
DIV. OF OIL, GAS & MINING

STATE OF UTAH		FORM 9	
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-74401
SUND	RY NOTICES AND REPORTS ON	I WELLS	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deepen exist igged wells, or to drill horizontal laterals. Use A		7.UNIT or CA AGREEMENT NAME: WILKIN RIDGE DEEP
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: WILKIN RIDGE FED 42-23-10-17
2. NAME OF OPERATOR: GASCO PRODUCTION COMPAI	NY		9. API NUMBER: 43047405990000
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite 10		PHONE NUMBER: 3 483-0044 Ext	9. FIELD and POOL or WILDCAT: UNDESIGNATED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1945 FNL 0518 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SENE Section: 23	P, RANGE, MERIDIAN: Township: 10.0S Range: 17.0E Meridian: S		STATE: UTAH
11. CHE	CK APPROPRIATE BOXES TO INDICATE N	ATURE OF NOTICE, REPORT,	OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
NOTICE OF INTENT Approximate date work will start: 12/12/2010 SUBSEQUENT REPORT Date of Work Completion: SPUD REPORT Date of Spud: DRILLING REPORT Report Date: 12. DESCRIBE PROPOSED OR CO	CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF		CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION WATER DISPOSAL ✓ APD EXTENSION OTHER: Olumes, etc. Approved by the Utah Division of Oil, Gas and Mining ate: April 13, 2010 y:
NAME (PLEASE PRINT)	PHONE NUMBER	TITLE EUC Superviser	
Roger Knight SIGNATURE	303 996-1803	EHS Supervisor DATE	
N/A		3/31/2010	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047405990000

API: 43047405990000

Well Name: WILKIN RIDGE FED 42-23-10-17

Location: 1945 FNL 0518 FEL QTR SENE SEC 23 TWNP 100S RNG 170E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 3/30/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that requ

the informat require revis	tion as submitted in t sion. Following is a c	the previously app hecklist of some it	proved application tems related to th	n to drill, ren 1e applicatio	nains valid and does n, which should be v	not erified.
	ated on private land, ed? 📗 Yes 🌘 No	-	p changed, if so, l	has the surfa	ce agreement been	
	any wells been drilled requirements for this			ell which wou	ıld affect the spacin	g or
	nere been any unit or s proposed well?		s put in place tha	t could affec	t the permitting or c	peratio
	there been any chang the proposed locatio		route including ov No	wnership, or	rightof- way, which	could
• Has th	ne approved source o	f water for drilling	g changed? 📵 🕆	Yes 📵 No		
	there been any physi je in plans from what					re a
• Is bor	nding still in place, w	hich covers this p	roposed well? 🌘	Yes 🗍 I	Approved by the No Utah Division of Oil, Gas and Min	of
Signature:	Roger Knight	Date: 3/31/201	10			
Title:	EHS Supervisor Repre	esenting: GASCO F	PRODUCTION COMP	PANY Dat	e: April 13, 2010	0
				_	R 00 cil 11	

Sundry Number: 13907 API Well Number: 43047405990000

	STATE OF UTAH				FORM 9
DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING			5.LEAS I	E DESIGNATION AND SERIAL NUMBER: 4401	
SUNDF	RY NOTICES AND REPORT	S ON	WELLS	6. IF IN	IDIAN, ALLOTTEE OR TRIBE NAME:
	sals to drill new wells, significantly deep gged wells, or to drill horizontal laterals				or CA AGREEMENT NAME: N RIDGE DEEP
1. TYPE OF WELL Gas Well					L NAME and NUMBER: N RIDGE FED 42-23-10-17
2. NAME OF OPERATOR: GASCO PRODUCTION COMPAI	VY			1 -	NUMBER: 405990000
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite 10		10NE NI 303	JMBER: 3 483-0044 Ext		D and POOL or WILDCAT: SIGNATED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1945 FNL 0518 FEL				COUNTY	
QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: SENE Section: 23	IP, RANGE, MERIDIAN: Township: 10.0S Range: 17.0E Meridian	: S		STATE: UTAH	
11. CHE	CK APPROPRIATE BOXES TO INDIC	ATE N	ATURE OF NOTICE, REPORT,	OR OTH	HER DATA
TYPE OF SUBMISSION			TYPE OF ACTION		
	☐ ACIDIZE		ALTER CASING		CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	☐ CHANGE TO PREVIOUS PLANS		CHANGE TUBING		CHANGE WELL NAME
3/30/2012	☐ CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS		CONVERT WELL TYPE
SUBSEQUENT REPORT	☐ DEEPEN	□ .	FRACTURE TREAT		NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE		PLUG AND ABANDON		PLUG BACK
_	PRODUCTION START OR RESUME		RECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION	□ s	SIDETRACK TO REPAIR WELL		TEMPORARY ABANDON
	☐ TUBING REPAIR		/ENT OR FLARE		WATER DISPOSAL
DRILLING REPORT	☐ WATER SHUTOFF		51 TA STATUS EXTENSION	1	APD EXTENSION
Report Date:	□ WILDCAT WELL DETERMINATION		OTHER	отн	ER:
12 DESCRIPE PROPOSED OR SO					<u> </u>
12. DESCRIBE PROPOSED OR CO	OMPLETED OPERATIONS. Clearly show all p	ertinen	t details including dates, depths, i	volumes,	etc.
				A	pproved by the
					Itah Division of
				Oil	, Gas and Mining
					03/31/2011
			U	ate:_	200
			В	v: D	
					W
NAME (PLEASE PRINT) Roger Knight	PHONE NUMBE 303 996-1803	R	TITLE EHS Supervisor		
SIGNATURE N/A			DATE 3/30/2011		

Sundry Number: 13907 API Well Number: 43047405990000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047405990000

API: 43047405990000

Well Name: WILKIN RIDGE FED 42-23-10-17

Location: 1945 FNL 0518 FEL QTR SENE SEC 23 TWNP 100S RNG 170E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 3/30/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

 If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
 Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🔘 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No

Signature: Roger Knight **Date:** 3/30/2011

Title: EHS Supervisor Representing: GASCO PRODUCTION COMPANY

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135

Expires: July 31, 2010

	2014	01 2	> 1/11 A (1 1 C L) 1/12 1	`~ N	HIV	ว 7	201¢
SUNDR	Y NOTIC	ES AND	REPORTS O	N WELLS "	107	7 4	201

Lease Serial No. UTU74401

abandoned we	ell. Use form 3160-3 (AP	D) for such	proposals.	6. If Indian, Allotte	ee or Tribe Name		
SUBMIT IN TR	IPLICATE - Other instruc	ctions on re	verse side.		greement, Name and/or No		
1. Type of Well				8. Well Name and	No.		
Oil Well Gas Well Other					E FEDERAL 42-23-10-1		
2. Name of Operator GASCO PRODUCTION COM	2. Name of Operator Contact: JESSICA GASCO PRODUCTION COMPANY E-Mail: jberg@gascoenergy.co			9. API Well No. 43-047-4059	9-00-X1		
3a. Address 8 INVERNESS DRIVE EAST, SUITE 100 ENGLEWOOD, CO 80112-5625			o. (include area cod 96-1805		10. Field and Pool, or Exploratory WILKIN RIDGE		
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, a			sh, and State				
Sec 23 T10S R17E SENE 19	45FNL 518FEL			UNTY, UT			
12. CHECK APP	ROPRIATE BOX(ES) TO) INDICATE	E NATURE OF	NOTICE, REPORT, OR OTH	IER DATA		
TYPE OF SUBMISSION		· · · · · · · · · · · · · · · · · · ·	ТҮРЕ (OF ACTION			
Notice of Intent	☐ Acidize	□ Dee	pen	Production (Start/Resume)	☐ Water Shut-Off		
Notice of Intent	Alter Casing	□ Frac	cture Treat	Reclamation	☐ Well Integrity		
☐ Subsequent Report	Casing Repair	□ Nev	v Construction	Recomplete	Other		
Final Abandonment Notice	Change Plans	□ Plug	g and Abandon	Temporarily Abandon	ndon Change to Origin		
·	Convert to Injection	□ Plug Back		☐ Water Disposal			
Gasco would like to request a 2011.		RECEI JAN 18	VED 2012	VERNAL FIELD OFFICE ENG. 12/16/11 GEOL.			
	DIV.	OF OIL, GAS	& MINING	113 Page 1 Page	(American Colombia)		
CONDITIONS OF APPROVAL ATTACHED				Politic State			
,				ECL.			
14. Thereby certify that the foregoing is	Electronic Submission #1 For GASCO PRO	23890 verifie ODUCTION C	d by the BLM Wo OMPANY, sent t	ell Information System to the Vernal n 11/23/2011 (12RRH0821SE)			
Name (Printed/Typed) JESSICA				ORIZED REPRESENTATIVE	-		
Signature (Electronic S	ubmission)		Date 11/22/2	2011			
	THIS SPACE FO	R FEDERA	L OR STATE	OFFICE USE			
Approved By January				ssistant Field Manager ds & Mineral Resources	DEC:2.0 2011		
Conditions of approval, if any, are attached certify that the applicant holds legal or equivalent would entitle the applicant to condu	 Approval of this notice does itable title to those rights in the ct operations thereon. 	not warrant or subject lease	Office	VERNAL FIELD OFFICE			

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

CONDITIONS OF APPROVAL

Gasco Production Company

Notice of Intent APD Extension

Lease:

UTU-74401

Well:

WILKIN RIDGE FEDERAL 42-23-10-17

Location:

SENE Sec 23-T10S-R17E

An extension for the referenced APD is granted with the following conditions:

- 1. The extension and APD shall expire on 12-14-2013.
- 2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777

Sundry Number: 24063 API Well Number: 43047405990000

			FORM 9
	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-74401		
SUNDF	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:		
	oposals to drill new wells, significantly reenter plugged wells, or to drill horiz n for such proposals.		7.UNIT or CA AGREEMENT NAME: WILKIN RIDGE DEEP
1. TYPE OF WELL Gas Well			8. WELL NAME and NUMBER: WILKIN RIDGE FED 42-23-10-17
2. NAME OF OPERATOR: GASCO PRODUCTION COM	PANY		9. API NUMBER: 43047405990000
3. ADDRESS OF OPERATOR: 8 Inverness Dr. East, Suite	100 , Englewood, CO, 80112	PHONE NUMBER: 303 483-0044 Ext	9. FIELD and POOL or WILDCAT: UNDESIGNATED
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1945 FNL 0518 FEL			COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSI Qtr/Qtr: SENE Section: 2	HIP, RANGE, MERIDIAN: 23 Township: 10.0S Range: 17.0E Meri	dian: S	STATE: UTAH
11. CHEC	K APPROPRIATE BOXES TO INDICA	ATE NATURE OF NOTICE, REPOR	RT, OR OTHER DATA
TYPE OF SUBMISSION		TYPE OF ACTION	
	ACIDIZE	ALTER CASING	CASING REPAIR
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS	CHANGE TUBING	CHANGE WELL NAME
3/30/2013	CHANGE WELL STATUS	COMMINGLE PRODUCING FORMATIONS	CONVERT WELL TYPE
SUBSEQUENT REPORT	DEEPEN	FRACTURE TREAT	NEW CONSTRUCTION
Date of Work Completion:	OPERATOR CHANGE	PLUG AND ABANDON	PLUG BACK
	PRODUCTION START OR RESUME	RECLAMATION OF WELL SITE	RECOMPLETE DIFFERENT FORMATION
SPUD REPORT Date of Spud:	_		
Date of Spau.	REPERFORATE CURRENT FORMATION	SIDETRACK TO REPAIR WELL	L TEMPORARY ABANDON
	L TUBING REPAIR		WATER DISPOSAL
DRILLING REPORT Report Date:	WATER SHUTOFF	SI TA STATUS EXTENSION	✓ APD EXTENSION
	WILDCAT WELL DETERMINATION	OTHER	OTHER:
12. DESCRIBE PROPOSED OR	COMPLETED OPERATIONS. Clearly show	all pertinent details including dates, o	PERSONAL PROPERTY AND PROPERTY
			Approved by the Utah Division of Oil, Gas and Mining
			Date: March 26, 2012
			By: Backylll
NAME (PLEASE PRINT)	PHONE NUM		
Roger Knight SIGNATURE	303 996-1803	EHS Supervisor DATE	
N/A		3/21/2012	

Sundry Number: 24063 API Well Number: 43047405990000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047405990000

API: 43047405990000

Well Name: WILKIN RIDGE FED 42-23-10-17

Location: 1945 FNL 0518 FEL QTR SENE SEC 23 TWNP 100S RNG 170E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 3/30/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
• Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🔘 Yes 📵 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No

Signature: Roger Knight Date: 3/21/2012

Title: EHS Supervisor Representing: GASCO PRODUCTION COMPANY



United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office 440 West 200 South, Suite 500 Salt Lake City, UT 84101 http://www.blm.gov/ut/st/en.html

FEB 0 5 2013

IN REPLY REFER TO: 3180 (UTU81153X) UT-922000

Ms. Frankie L. Martinez Gasco Energy, Inc. 7979 East Tufts Avenue, Suite 1150 Denver, Colorado 80237

Re:

Automatic Contraction

Wilkin Ridge (Deep) Unit

Uintah and Duchesne Counties, Utah

Dear Ms. Martinez:

Your letter of January 24, 2013, describes the lands automatically eliminated effective September 17, 2012, from the Wilkin Ridge (Deep) Unit Area, Uintah and Duchesne Counties, Utah, pursuant to Section 2(e) of the unit agreement and requests our concurrence. The lands you have described contain 44,447.23 acres, more or less, and constitute all legal subdivisions, no parts of which are included in the Wilkin Ridge (Deep) Participating Areas "A" and "B". As a result of the automatic contraction, the unit is reduced to 480.00 acres.

The following Federal Leases are entirely eliminated from the unit area:

UTU56947	UTU75084	UTU77063	UTU88144
UTU68387	UTU75085	UTU78214	UTU88204
UTU68620*	UTU75086	UTU78215	
UTU74400	UTU75087	UTU78216	
UTU74401	UTU75088	UTU80950	•
UTU74402	UTU75235	UTU81003*	
UTU74403	UTU75236	UTU81706*	
UTU74407	UTU75514	UTU82704	
UTU74408	UTU75515	UTU82705	•
UTU74836	UTU75672	UTU84262	Tract No. 43 UNLEASED*
UTU74968	UTU76031	UTU84263	
UTU74971	UTU76032	UTU84264	
UTU75079	UTU76256	UTU84265	
UTU75080	UTU76258	UTU88068	•
UTU75081	UTU76716	UTU88069	
UTU75082	UTU76717	UTU88072	
		,-	

^{*}Indicates non-committed lease

The following Federal Leases are partially eliminated from the unit area:

UTU65632

UTU75083

You have complied with the requirements of Section 2(e), provided you promptly notify all interested parties. If you have any questions, please contact Judy Nordstrom at (801) 539-4108.

Sincerely,

Roger L. Bankert

Chief, Branch of Minerals

Rya & Bankant

Enclosure

cc:

UDOGM

SITLA

ONRR w/Exhibit "B" (Attn: Nancy McCarthy) (UTG01) BLM FOM - Vernal w/enclosure

Sundry Number: 36035 API Well Number: 43047405990000

	STATE OF UTAH DEPARTMENT OF NATURAL RESOU				FORM 9	
	à	5.LEASE DESIGNATION AND SERIAL NUMBER: UTU-74401				
SUNDRY NOTICES AND REPORTS ON WELLS					IAN, ALLOTTEE OR TRIBE NAME:	
Do not use this form for procurrent bottom-hole depth, FOR PERMIT TO DRILL form	oposals to drill new wells, significant reenter plugged wells, or to drill hori: n for such proposals.	ly deep zontal l	en existing wells below aterals. Use APPLICATION	7.UNIT o	r CA AGREEMENT NAME:	
1. TYPE OF WELL Gas Well					NAME and NUMBER: NRIDGE FED 42-23-10-17	
2. NAME OF OPERATOR:				9. API NI 43047	JMBER: 405990000	
3. ADDRESS OF OPERATOR: , , , Ext		PHC	NE NUMBER:	9. FIELD and POOL or WILDCAT: UNDESIGNATED		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1945 FNL 0518 FEL				COUNTY		
QTR/QTR, SECTION, TOWNSH	HIP, RANGE, MERIDIAN: 3 Township: 10.0S Range: 17.0E Mei	ridian: S	6	STATE: UTAH		
11. CHEC	K APPROPRIATE BOXES TO INDIC	ATE N	ATURE OF NOTICE, REPOR	RT, OR C	THER DATA	
TYPE OF SUBMISSION			TYPE OF ACTION			
,	ACIDIZE		ALTER CASING		CASING REPAIR	
NOTICE OF INTENT Approximate date work will start:	CHANGE TO PREVIOUS PLANS		CHANGE TUBING		CHANGE WELL NAME	
3/30/2014	CHANGE WELL STATUS		COMMINGLE PRODUCING FORMATIONS		CONVERT WELL TYPE	
SUBSEQUENT REPORT	DEEPEN	□ _F	FRACTURE TREAT		NEW CONSTRUCTION	
Date of Work Completion:	OPERATOR CHANGE		PLUG AND ABANDON		PLUG BACK	
	PRODUCTION START OR RESUME		RECLAMATION OF WELL SITE		RECOMPLETE DIFFERENT FORMATION	
SPUD REPORT Date of Spud:	REPERFORATE CURRENT FORMATION		SIDETRACK TO REPAIR WELL		TEMPORARY ABANDON	
	TUBING REPAIR		/ENT OR FLARE		WATER DISPOSAL	
DRILLING REPORT	WATER SHUTOFF		SI TA STATUS EXTENSION	./	APD EXTENSION	
Report Date:						
	WILDCAT WELL DETERMINATION		OTHER	ОТН	ER:	
12. DESCRIBE PROPOSED OR	COMPLETED OPERATIONS. Clearly sho	w all pe	rtinent details including dates, d	•	1000	
					Approved by the Utah Division of	
				0	il, Gas and Mining	
				Date	April 01, 2013	
				Date.	Oll 160 00 8	
				Ву:	Doogston	
NAME (PLEASE PRINT) Roger Knight	PHONE NUM 303 996-1803	MBER	TITLE EHS Supervisor			
SIGNATURE N/A			DATE 3/29/2013			

Sundry Number: 36035 API Well Number: 43047405990000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047405990000

API: 43047405990000

Well Name: WILKIN RIDGE FED 42-23-10-17

Location: 1945 FNL 0518 FEL QTR SENE SEC 23 TWNP 100S RNG 170E MER S

Company Permit Issued to: GASCO PRODUCTION COMPANY

Date Original Permit Issued: 3/30/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

• If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No
 Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No
• Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No
 Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No
• Has the approved source of water for drilling changed? 🔘 Yes 🌘 No
 Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No
• Is bonding still in place, which covers this proposed well? Yes No

Signature: Roger Knight Date: 3/29/2013

Title: EHS Supervisor Representing: GASCO PRODUCTION COMPANY



Stace of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 5, 2014

Gasco Production Company 7979 Tufts Ave., Suite 1150 Denver, CO 80237

Re:

<u>APD Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, P. 100 Rescinded - Wilkin Ridge Fed 42-23-10-17, Sec. 23, T.10S, R.17E, R.</u>

Uintah County, Utah API No. 43-047-40599

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 30, 2009. On April 13, 2010, March 31, 2011, March 26, 2012 and April 1, 2013 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 5, 2014.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely.

Diana Mason

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal

